Modifications in loan grant pattern

234. SHRI DARA SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of an urgent need to review grant component of Central plan assistance to States as many States are under debt to Centrally imposed loan burden as well as of interest payment liabilities thereof;

(b) if so, the number of States which have requested the Centrel to modify the plan assistance as 50 per cent loan and 50 per cent grant instead of 70 per cent loan and 30 per cent grant as at present; and

(c) by when the required action is expected to be taken by Government in order to modify the loan grant pattern which was adopted long ago?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) Various States from time to time have requested for changing the loan grant pattern as flowing to the States under State Plans. Present pattern of Central Assistance to the States is based on ratio of capital revenue expenditure of Developmental projects undertaken by the States under their Annual Plans. This ratio is based on the decision of National Development Council.

Response to 'insta remit' gateway

235. SHRI RAVULA CHANDRA SEKAR REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether Government launched an easy to use electronic remittance gateway 'insta remit' for overseas Indians in partnership with the UTI Bank;

(b) if so, the details thereof; and

(c) the response received so far from each country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) Yes, Sir. A pilot launch of an electronic remittance facility, for overseas Indians, was made at a plenary session of the Pravasi Bhartiya Divas, on January 07, 2006. The remittance facility would provide access to different modes of remittances including an instant remittance service which would facilitate seamless

transfer of funds through partner banks of UTI Bank, overseas, to beneficiary accounts in India. The portal would also provide information on investment opportunities available to retail investors. The facility is scheduled to go live within six months from the date of launch of the pilot.

Opening of branches by foreign banks

236. SHRI EKANATH K. THAKUR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that his Ministry and the Reserve Bank of India have agreed to allow foreign banks to open 20 branches a year in the country as against 12 now;

(b) if so, the reasons for not allowing strong co-operative banks to open a single branch each; and

(c) the constitutional basis for such a discrimination?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) In the "Road Map for presence of the foreign banks in India" issued by the Reserve bank of India (RBI) on 28.02.2005, it is proposed to go beyond the existing World Trade Organisation (WTO) commitment of 12 branches in a year for new and existing foreign banks and to follow a more liberal policy for under-banked areas. However, the applications of the foreign banks are examined on merit before granting permission for opening a new branch.

(b) Applications of the State Cooperative Banks (SCBs) for opening of branches in terms of provisions of Section 23 of the Banking Regulation Act, 1949 are examined by the RBI depending upon the merits of the case. As regards District Central Co-operative banks, the powers to allow opening of branches rests with the Registrar of Co-operative Societies of the respective States.

(c) No instance of discrimination has been brought to the notice of the Government.

Commercial banking network in rural areas

237. SHRI N.R. GOVINDARAJAR: Will the Minister of FINANCE be pleased to state:

(a) whether Commercial Banking Network in rural areas is handicapped as most of the bank branches are one man branch or lack